

A
LETTER
To a
FRIEND.

Concerning the
East - India
TRADE.

L O N D O N,

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To a

FRIEND,

Concerning the

East - India Trade.

S I R,

Having lately received from you the *East-India Company's* Answers to the Reasons for a Regulated Company, together with their Reasons why a Joint-Stock will Best carry on the Trade; and your Commands to give you my Opinion therein, I most willingly submit thereto, in hopes that I may thereby Convince you, and Confute them. I shall take them in order as they lye in their own Paper.

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1st. To

1st. To the Trade's being more Extensive in a Regulated Company: They Answer, and say, *That tho' it be a specious Argument, yet it is in Fact, directly contrary; for in the Muscovy, Turkey, Hamborouh, and East-Land Companies, which are the only Regulated Companies in England, there are not so many actual Traders, as there are Persons Concerned in the present East-India Joint-Stock; to which they add, That in a Regulated Company, the same is Circumscribed to Experienced Trading Merchants, and no others; whereas in this Trade to India, all degrees of Persons, of the Nobility, Gentry, Clergy Widows and Orphans, as well as Merchants, are, or may be Concerned in it, although not skilled in Trade.*

If by Extensive, they mean the Sum of Money Employed, a Joint Stock is no more Confined to a particular Sum of Money, than a Regulated Company: But can with great Ease, extend the Trade to the utmost degree, as the Nature thereof is capable.

If the East-India Company mean there are not half so many actual Traders in one of these four Companies, as there are Persons Concerned in the East-India Joint Stock, I do grant it them; for none can imagin there is occasion for so many Traders to Archangle, the only Port the Muscovia Company Trade to, and requires not above Forty Thousand Pounds Stock.

But if they mean in all the Four Companies, then they are grossly mistaken; there are above two thousand English Men actual Traders to those Places, within the limits of those Companies Charters, besides Foreigners, which are near as many more. And were those Trades Restrained

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to the *English* only, there would be more than three times the Number of the *English* Subjects Employed in that narrow Compass of Trade, than there are Concerned in the present Joint *East-India* Stock, whose Charter extends to far greater Territories than all *Europe*.

Of the home Trades, experienced Merchants have generally the Advantage, though these want no Instances of several Persons Employing the Estates of others, that are not Traders, with their own in a joint Interest. But to Evidence clearly to you, that were this Trade settled in a Regulated Company, the Nobility, Gentry, Widows, and Orphans, would have greater Opportunities at all times to be concerned, than in a Joint Stock: I offer as an Instance those Trading Ships which they call *Interlopers*, in which not above one third of the Persons Concerned are Merchants, but their Stock is made up by voluntary Subscriptions, of all degrees of Persons, who Chuse known Experienced Merchants to Manage it for them, in which every Subscriber hath a Vote; and no body can deny, but those who desire it may have several opportunities Yearly, of Engaging themselves in such particular Joint Stocks, without excluding all others, whose Circumstances will not at this time suffer them to Trade to *India*; and it is beyond all question, That those Merchants chosen fairly by every Adventurer, because of their Experience and Honesty, are fittest and ablest to carry it on, and much better than a Committee Chosen by Art, for some by purposes in Joint Stocks, without Regard had to their

their Fitness and Qualifications. And those Topping Men, who Influence the Choice of the Committees, do, and by their Interest are bound to Confine their Trade to particular Sums, and will not in any kind extend them to the Advantage of the Nation, beyond their stated Profits and private Designs; witness the many Dividends the *East-India* Company have made, until they had nothing left them, on purpose (to use their own Words) to put themselves out of the Power of a Parliament; after this, some of them lent the Stock 50 per Cent, at Interest, and since that, they made an Addition to their Stock, as they so called it, by a new Subscription upon their late Charter; but how much of this New Subscription-Money was left for them to trade withal, I leave you to judge, when you shall have deducted the 10 per Cent. abatement, 50 per Cent. advanced, the Money exhausted for secret Service, the loss of their Stock Subscribed by their own Members for the Company's Account, on purpose to draw in Honest and Harmless Moneyed Men, and what they Owed at Interest here in *India* before all this; by which means they have sunk most of their Stock, starved and dwindled the Trade, nor had any Ships from *China* this long time, and in a manner lost the Pepper Trade to the *Dutch*.

In their Second Answer they say, *It must be distinguished, whether it's meant one Buyer in England, or India; if in England, a Joint Stock must buy in Common with others. As to Selling, the Goods of a joint Stock are always expos'd by Inch of Candle,*
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set up at low Rates, where every Person is admitted to Buy: But if it's meant Buying in India, it is clearly the Interest of England it should be so; for by this means, the Commodities of England are Advanced, and those of India bought at lower Rates, so as not only to supply England much cheaper, but also the Foreign Markets as Cheap as their Neighbours. To which I Reply, That if the Company are the only Sellers of *East-India* Goods in *England*, they will, or may, have of us what price they please, by bringing home fewer than the Nation would expend, and feeding of it with no more than will yield them their own Rates; as the *Dutch* do with their Spices, which cost them but little more than Pepper, yet they Sell them at this Extravagant Price by publick Sale, to the highest Bidder; as is the Practice with us by the Candle.

If they are the Buyers of our English Commodities; a Joint Stock must buy in Common with others; but they have a very great advantage over the Sellers, which I will clear by this instance: Supposing 30000 long Cloaths are made in *England*, 20000 or more of them are bought up for the *European* Markets, the Remaining must either be Sold for *India*, or lie on the Clothiers Hands. This latter the Clothiers cannot suffer, and carry on their Trades, and Employ their People, so they must Sell to this one Buyer for *India* at his own Rates; but if there were 30 or 40 Buyers, instead of this single one, in a Joint Stock, it is reasonable to believe, the Sellers would obtain both better Prices and Payments.

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As for a Joynt-Stock's buying of Goods in *India*, upon the same advantage they do our Goods in *England*, it seems to differ extreamly; because in *England*, our Manufacturers make their Goods for a general Market, not knowing before-hand to whom, or for what Trade they shall sell them. Whereas in *India* they do not make Goods for an uncertain Market, but the *European* Buyers there do Contract with the *Indian* Merchants for the quantity, quality, and prizes of the Goods they want, and allowed time for their making, and delivery. By which means the *Indians* are not at the mercy of a Joynt-Stock for their Commodities; for if the *Europeans* will not give them their prices, they will not make them the Goods they want.

Indeed, a Joynt-Stock may carry to *India* a few *English* Goods, and impose their own Prices on them, making them too dear for the *Indians*; but if many Persons carry our Manufactures thither, they must sell them cheaper, to introduce the general use of them: And tho' the Merchant, by enlarging Exportation and the Importation, should make the less profit, yet it's most evident the Nation will get the more. Besides, the Companies Argument will hold as well for all the Trades in *Europe*, as that of *India*; and then we must have but one Buyer and one Seller for each Country.

Their Third Answer is, *That the Years 1654, 1655, 1656. have given us a Chargeable Experiment; that opening the India Trade is not the means to regain it from the Dutch; for there were*

were divers Considerable Merchants that did then break in upon that Joynt Stock by way of Interloping; who having continued that way of Trade for three or four years, found themselves so over-marched by the United Joynt Stock of the Dutch, and imposed upon by the Natives in India, in the point of Buying and Selling, that they themselves, who had formerly broke in as aforesaid upon that Company, were the Persons that first applied to Oliver Cromwell for Establishing a Joynt Stock, in order to regain the said Trade, and were the Persons that first Subscribed the same. By which means the Trade was regained to the Nation, when it was nigh lost.

And they also say, it's so far from obviating the inconveniencies of the Scotch Act, that this Nation will not only find by them (as now constituted in a Joynt Stock) the like Inconveniencies they found from the Dutch, but rather greater, by the nearness of their Neighbourhood. Nor can any Nation cope, as to the East-India Trade, with others, unless Established in a like Joynt Stock, supported with the like Priviledges and Immunities, &c. †

To this I say, That the Dutch in those years of open Trade sunk greatly in their Stock and Credit; by reason we then Imported great quantities of the East-India Commodities, and underfold them, whereby the Trade was enlarged, and the Nation enriched, though the Adventurers made the less profit.

This indeed might cause our then Merchants, for their own private interest, and not for the general good, to imbibe the Dutch Notion of

entering into a Joynt Stock (for that Company was then apprehensive they should lose their Trade, if we did continue to keep ours open and free to all) and therefore our Merchants were induced to make their applications to *Oliver Cromwell* to exclude their fellow Subjects from this Trade, because then they had the prospect of getting as much by one Hundred Pound Stock, as in open Trade by three Hundred.

And since the Merchants of *England* could do so much in their Infancy, when they Traded loose, and had nothing like the Experience and Stock they at present have, what will they not be able now to do, after their Skill, Experience, and Stock is more than trebled, and they Trade in a Regulated Company, which can do all things for the defence and preservation of their Trade, as well as a Company with a Joynt Stock, and improve it abundantly more, with a far less Charge. For the Company cannot pretend to oppose the *Dutch* in *India* in time of War, and in Peace it must be our Treaties and Strength at home, that must secure us against any of their Insults abroad. And if the Natives impose any hardship upon us, it will not be our wisdom to make War upon them, as the Company rashly did, but procure the removal of them by means of an Ambassador, by Consuls, and the usual Presents: For the *Indians* are Men of that Sense and Morality, that where they meet with honest and fair Dealing, there is no fear of their displeasure. And at worst, our Merchants will have

have the same security in all the *Mogull's* Ports, as the present Company have at *Suratt*, and in the *Bay*, where they have no Forts, yet drive their Chiefest Trades, and trust the Natives with their Mony before hand.

And if all *English-Men* have the freedom of Trade to *India*, it cannot be supposed any of them will joyn with the *Scotch*, but every one will rather imploy his own Mony, if he be a Merchant; and if of any other Condition, intrust it with his own Countrymen, whom he can readily call to an account for what he shall so commit to his trust.

Now if all the *English* decline the *Scotch* Company, they will want both Stock and Experience to carry it on, and will sink of themselves.

Their Fourth Answer is, *That all Persons may at any time hereafter come into the Trade; for, notwithstanding upwards of seven Hundred New Adventurers came into their Joynt Stock upon their last Subscription in 1693. yet there hath been each year since great alterations of other New Adventurers. And it cannot be denied, but the Scotch will change its Owners, as People have occasion to Sell, or Buy.*

To this I Reply, That any Man may Buy a Stock, if he will give them their Price, which may be treble the intrinsick value of all the Companie hath, were it sold, and divided. But, say they, every thing is worth what it's bought and sold for, which may be so in the opinion of the Buyer; but what losses have arisen thereby? the Copper, the Salt-Petre, the Linnen, and many other Stocks, are suf-

sufficient Testimonies, which have been raised by the same Arts used to mount the *East-India* Stock upon many occasions, to the enriching the Great Men of it, and to the ruine of many Families.

But a Man cannot always come into that Joynt Stock, nor any other on the same Terms with the first Subscribers. For instance, the present is now Sold at 60 *per Cent.* and upwards (although according to its intrinsic value it's not worth 20.) Now suppose the said Company should to morrow be Establish'd by Act of Parliament Exclusive to others, no Person of what Degree soever, could Buy a Share in their Stock the same night, under one Hundred Pounds, and perhaps not under one Hundred and Fifty; and yet they would then have no more Riches than they have now.

By this it appears, that what pother soever they make about the Nobility, Gentry, Clergy, Widows, and Orphans, none can come into that Trade, if in a Joynt Stock, but upon great disadvantages, except those that are now actually concerned in it, or shall upon opening the Books Subscribe to it. Whereas, were the Trade open to all, in a Regulated Company, every Ship being in the nature of a Joynt Stock, all sorts of Persons might at any time, when they can spare Money, or as they come of Age, be Interest'd in it upon the same Terms with any whatever.

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Having now done with their Answers, I proceed to their Reasons.

1st. *It hath been found by common Experience, That all Nations who have had a desire to procure to themselves a Trade to India, have made Use of Establishing a Joint Stock, for the gaining thereof, and upon Tryal have found all other means ineffectual, and therefore have continued the same; and certainly the most proper means to preserve a Trade, is the same by which it was at first acquired: And this was the Reason why the Scotch have chose this Method, rather than a Regulated Company.* To which I plainly Answer, That the main of this Reason is untrue in fact, and in the Conclusion; for the *Dutch* did not procure the Trade to themselves by Establishing a Joint Stock; nor did they try any other means to find them ineffectual. But they obtain'd the Trade by a kind of War, the States Encouraging their Merchants by private Commissions, to look into those Seas, that they might bring down the Power of *Spain* (which then had that sole Trade) in which they obtained wonderful Success, as is at large set down in a Proposals for Settling the East-India Trade. Paper Printed the other day, to which I refer you) and partly by War, and partly by Trade, became so great, that they were in a manner another Common-Wealth; after which, they were Established as they have since continued: Now should the *Dutch* have kept on a perpetual War, to have preserved their Trade, they would most certainly have found the contrary Consequence, and have lost it, as our present Company hath done: And this Assertion is equally Ridiculous,

eulous, as to perswade a grown Person to be held by Leading-strings, because he had by those first learnt to go.

I flatter my self, that all unbiassed Men will naturally Conclude, that were this Trade a *Mystery*, the Masters and first Discoverers of that Mystry, they ought to Enjoy it only but fourteen Years, as the Law hath provided. But that Time once expired, and the *Mystery* sufficiently made known; used and practised by many Numbers of their fellow Subjects, whose Right it is become, will any Man in his Senses declare, that the only way to Improve and Enlarge their Art or Invention, is to appropriate the Use of it to those Persons only for ever, who first acquired it.

But the present Company have not been the first Discoverers of this Trade, and yet have Enjoyed it above Forty Years.

Nor is that Assertion true, That the *Scotch* for that very Reason chose a Joint Stock; for they have had no Experience of that Trade, the practical part is still a Mystry to them; and they want Estates to undertake it: These are most probably the Reasons why the *Scotch* Parliament accepted the Proposals of a Joint Stock; though I am apt to believe that the Projector's chief Design was the hopes of Gain by Stock-jobbing.

2d. Reason, *That in case of any Difference between the Traders and the Indians, the strength a Joint Stock will Maintain in India, will enable them better to preserve their Factories, and oblige the Indians to do them Justice.* In-

3dly. *That in case of any difference or dispute with any European Nation in India, such Joint Stocks will be best able to preserve their Trade.*

4thly. *That it's very well known, the People of India, how Moral soever said to be, yet their Forms of Government do not admit those open Ways to Justice, practised in Europe; wherefore the double Arguments of Force and Money to bribe the Government, must be always ready, otherwise upon every little Dispute, they will over-run and seize the Persons and Effects, of any Regulated or open Trader, which will always be fomented by the Joint Stocks of other European Nations.*

To which three together I Answer. Brave and Boldly said, and had our Company as much Conscience as they have Confidence to assert any thing makes for them, whether Right or Wrong, they were worthy of a Mark of Distinction: Themselves know that the two Ships, the *Seamore* and the *Henry* were admitted to Trade in *India*, and kindly used in the *Mogul's* Dominions, although their Factors, by the Company's own positive Orders, accused them as Pyrates, and Prosecuted them as such very Industriously, I may say, Unnaturally insinuated the Belief thereof into them, because they knew there could not be a more provoking Crime for those People to punish, by reason of their vast Losses they had sustained from Piracy; and yet neither their Persons nor Effects were seized and detain'd, after they were undeceived; but on the contrary, preserved and well used. And in Case of any difference that may arise

arise between us and the *Indians*, or *Europeans* in *India*, a Regulated Company can by the Prudence and Honesty of their Factors, Commanders of Ships, and by Presents to the *Indian* Governours, by an Embassadour at the *Mogul's* Court, and Consuls, &c. work the same, nay better effect upon them, than this present Company; whose Forts and Castles are to very little, if any purpose at all, on such occasions. Our Honest and Just Dealing can only secure us amongst them; and our Wooden Castles and Powers at Home can alone Protect us from the Affronts and Injuries of *Europeans* abroad. So I enter upon their Fifth Reason.

That in case of any considerable Loss or want of Profit in the Trade, a Joint Stock must still struggle with it; their whole Stock being appropriated for the Trade: whereas in a Regulated Company, or open Trade, every Man Trades as he pleases, and Discontinues when he will; such will Trade no longer than he finds the same to answer his Expectation, but will quit it upon the least Discouragement.

To which I reply, This might have some Influence, could they give the World an Instance where a profitable Trade (as we count this to *India*, in which is such diversity) hath been declined by the People of *England*, who are so far from leaving it upon the least Discouragement. That I know no Trade (though it hath been carried on to loss for many Years successively, but it hath been not only maintained, but continued to be overdone. Witness formerly the
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Newfound-Land, Mallaga, Virginia, and at present the Jamaica, Barbadoes, Leward-Island Trades, none of these have been starved or neglected, notwithstanding the incredible losses and disappointments many of those Merchants have sustained. We want only scope and liberty to employ our industry and our Stocks against the Dutch, or any other Competitors. And might this Nation but obtain so great a Blessing, as to have this Trade open to them all in general, it would soon appear, that as well in this, as in all other Trades, where the Dutch have a Company with a Joynt Stock, and we are left free, we shall greatly reduce their Trades, and enlarge ours.

6. Whereas Joynt-Stocks have at a very vast Expence obtained many great Priviledges and Immunities from the Indians, as Coyning of Money, Trading Custom-free, and many others; which, if a Regulated Company, or open Trade be introduced, will be utterly lost.

This, as all the rest, is but a specious pretence; for whatever that of Coyning of Money may be, by which they can have no advantage, the impresson they give adding nothing to its value; all the other Priviledges they have, were obtained, not by this Company, but by others, and for the benefit of the English Nation; and so run all their Phirmaunds. And every private Ship that hitherto Traded in India, hath had the advantages thereof.

*Vide The
Proposals.*

7. It's very well known, that in the Year 1602. the Dutch seeing the Errors of a losing Trade to India, did after some years Experience, reduce the

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whole into one United Joynt Stock, with such Priviledges as they have enjoyed ever since; which hath carried that Trade to the height it now is. And it cannot be denied, but the genius of Trade hath appeared there in its utmost strength. And it is to be feared, unless the like Methods be pursued in this Nation, the East-India Trade will pass to some other Country; Trade always taking its Course where it finds the best treatment, and is allowed the greatest Advantages.

8. But admitting a Regulated Trade might struggle with some difficulties, yet in case of any Breach betwixt the English and Dutch, certainly the whole Trade will be lost, they being very strong in India in numbers of Subjects, and Fortifications, which have not only been got by their being brought to a Joint Stock, but are now maintained, and daily Improving, which a Regulated Company can never withstand.

And it is to be doubted, unless great Encouragement be given to a Joint Stock, they also will hardly be able, in such case to continue, and preserve the Trade to this Nation.

To these, having in part answered already, I shall only add, that our East-India Company, with their Joint Stock, have not in time of War been able by force to Resist the Dutch in the Indies; and if you will believe the Letters from their own Chiefs and Consuls from thence, there is no manner of appearance that they ever will; and the Dutch East-India Company, who have many Fortifications, never Brecked any for such a purpose; they know how pernicious War is, to any that are settled in a profitable Trade, in a potent Prince's Country. But

Vide the
same Pro-
posals.

But their Forts are to oppress the Inhabitants of the Spice and Pepper Islands, and force them to Trade with themselves only, upon their own Terms; which yet turns to small Accompt, as appears by their Inconsiderable Dividends (of 5 and 6. *per Cent. per An.* on the value of their Stock) in regard of their many Rich Ships Yearly brought home by them of late: Such is their vast Charge of maintaining a Trade by Force, That were the same set open to all the Subjects of *England* in a Regulated Company; without being clogg'd with that unnecessary Expence; it would soon appear, that when the *English* gain 30 to 40 *per Cent.* (which is a sufficient Encouragement in times of Peace, to extend that Trade to the utmost) the *Dutch East-India* Company must be reduced; for nothing can so much bring down their Elevated Company, and discourage any other Nation to fall into that Trade, than to Import the *East-India* Commodities in great quantities, and sell them Cheaper in our Markets; so that if the whole Subsidie upon *East-India* Goods Exported, were drawn back, as the whole Additional Duty, and half the Subsidie now is; there needs, in my Opinion, no other Encouragement (besides that) to be given to that Trade.

But if the Parliament shall, after all, think fit to Establish the Trade to *India* in a Joynt-Stock, it may be hoped they will not Establish this present Company, who have not merited so distinguishing a Favour; but take care to preserve the Right of the Subject; that all, of what Degree

Degree or Quality soever, may have liberty to come into that Trade upon a new Subscription, and not be Ingrafted upon this bottomless Sea, which hath so lately swallowed up Seven Hundred and Fifty Thousand Pounds, and are now for such another morsel.

Thus, Sir, I have given my Opinion with any reserve, for the good of my Country, to inform your Judgment; in which, if I have the designed Success, I shall think my self Rewarded,

I am, Sir, &c.

FINIS.
